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NEWS RELEASE

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PSC APPROVES SETTLEMENT IN NOLIN RECC RATE CASE *Rural cooperative receives slightly less than requested*

FRANKFORT, Ky. (Dec. 20, 2007) – The Kentucky Public Service Commission (PSC) has accepted a settlement that permits Nolin Rural Electric Cooperative Corp. (Nolin RECC) to raise its rates in order to increase its annual revenue by \$2.6 million, or about 5.8 percent.

Nolin RECC's original request was for an increase of about \$2.93 million, or 6.6 percent.

The rate increase will allow Nolin RECC to stay within financial guidelines established by the Rural Utilities Service, the federal agency that provides financing to electric cooperatives.

Nolin RECC negotiated the settlement with the Kentucky Office of Attorney General.

Under the settlement, residential customers will see their monthly customer charge increase from \$5.13 to \$8.13. The charge per kilowatt-hour of electricity (the amount used by a 100-watt light bulb in 10 hours) will increase from 7.07 cents to 7.34 cents.

For a residential customer using 1,300 kilowatt-hours of electricity per month, the total bill will rise by \$6.51, from \$97.04 to \$103.55. That is an increase of 6.7 percent.

Rates for other classes of customers also were adjusted to better reflect the costs of serving those customers based on the amount of power they consume.

The new rates take effect January 1.

Nolin RECC has 30,600 customers in Breckinridge, Bullitt, Grayson, Green, Hardin, Hart, LaRue, Meade, and Taylor counties. It purchases power from the East Kentucky Power Cooperative, Inc.

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The order in the case and other documents are available on the PSC Web site, psc.ky.gov. The case number is 2006-00466.

The PSC is an independent agency attached for administrative purposes to the Department of Public Protection in the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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